

~~SECRET/NOFORN~~NIO/EUROPE
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DCI/NIO Conference -- 12 June 1985

1. The Berlin Situation

Soviet behavior in regards to the air corridors and the MLMs seems to have toughened over the past week:

- Air Corridors. During the weekly BASC meeting of 6 June, the Soviet controller denied having suggested that the Soviets could eventually add 2-3 miles to the 10.5 mile reservation free area outside of the Berlin control zone. Further he treated the air corridors as a finite band of space that could be moved up or down by unilateral Soviet decision. In the meantime, the momentum for Western demonstration flights has dissipated and the prospect is that the West will live with whatever can be negotiated in the BASC. This outcome will not endanger immediate access to Berlin, but will lend support to the Soviet juridical position in future air corridor disputes.
- MLMs. The US and the Soviets have continued a halting dialogue over increasing the security of Mission members. In the meantime the French and the British have become uneasy with the US-Soviet bilateral dialogue, which will affect their operations as well, and over continued self-imposed restraints on the MLMs because of what they consider unnegotiable US demands on the Nicholson case. The situation has become further complicated by the Soviet vehicle ramming of a British MLM vehicle. Although the British apparently took a calculated risk in getting entangled in a Soviet column, the Soviet action demonstrates a continued willingness to use force and bodes ill for the prospects of improving the operational environment of the Missions.

2. The Situation in Portugal

After Parliament ratifies EC accession on 12 June, the Social Democrats will most likely make good on their threat to leave the government, leaving Soares as the head of a minority government. President Eanes will then decide whether to let Portugal be ruled by a minority government until the scheduled Presidential elections in December, or to call for legislative elections soon and thereby postpone the Presidential elections. He will most likely opt for the latter. Although personal rivalries have much to do with the current turmoil, Portugal could possibly emerge from it with a realignment of political parties that will bring greater stability to governmental politics.

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Conversely, there is a danger that the population could become disgusted with the maneuverings of Center and Center Right politicians against the background of a poor economic situation and elect a far leftist as the country's President. As of now, however, the prospects of this happening are small.

3. Franco-German Maneuverings Around EUREKA and SDI:

- France. The recent command changes which saw General Saulnier become Chief of Staff and General Forray military advisor to Mitterrand were accompanied by the establishment of study groups on military policy toward space. French officials are also suggesting publicly [] that EUREKA and SDI need not be incompatible. Mitterrand's ambiguous approach to the complex of SDI/EUREKA issues probably reflects divisions within the French government that Mitterrand does not want to bring to the surface particularly before the legislative elections of next year.
- The FRG. Kohl finds himself embattled on a number of issues and increasingly criticized for not providing a clear leadership. The SDI issue is illustrative of his predicament: Strauss' CSU supports it while Genscher's FDP opposes it. The substantive divisions parallel personal animosities between Genscher and, on the other hand, Strauss as well as Kohl's national security advisor Teltschik. In an attempt to forge greater unity in the coalition Kohl, Strauss and FDP leader Bangemann will meet on 13 June. They will probably opt for the FRG to participate in both EUREKA and SDI.
- The EC as a whole will discuss EUREKA at the 28 June meeting of government heads and may lay the groundwork for a common European position on EUREKA and SDI.

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